

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6795**  
**BILL NUMBER:** HB 1121

**NOTE PREPARED:** Feb 18, 2005  
**BILL AMENDED:** Feb 17, 2005

**SUBJECT:** Courts.

**FIRST AUTHOR:** Rep. Smith J  
**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

STATE IMPACT	FY 2005	FY 2006	FY 2007
State Revenues			
State Expenditures		345,130	760,286
Net Increase (Decrease)		(345,130)	(760,286)

**Summary of Legislation:** (Amended) This bill does the following:

- A. It adds an additional judge to the Howard Superior Court beginning January 6, 2006.
- B. It establishes a second Dearborn Superior Court.
- C. It establishes a second DeKalb Superior Court. It provides that the initial judge of the second DeKalb Superior Court is appointed for a term beginning January 1, 2006. It eliminates the DeKalb County small claims referee.
- D. It adds an additional superior court in Hamilton County.
- E. It establishes the Perry Superior Court.
- F. It adds an additional judge to the Vigo Superior Court.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** (Revised) The full costs of this bill would not be reached until FY 2008, outside of the next biennium, because of the effective dates for creating these courts.

The following table shows the increase in expenditures over the next five fiscal years.

County	Effective Date	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Howard	6 January 2006	\$70,026	\$140,052	\$140,052	\$140,052	\$140,052
Dearborn	1 January 2006	\$70,026	\$140,052	\$140,052	\$140,052	\$140,052
DeKalb	1 January 2006	\$65,026	\$130,052	\$130,052	\$130,052	\$130,052
Hamilton	1 January 2007		\$70,026	\$140,052	\$140,052	\$140,052
Perry	1 January 2006	\$70,026	\$140,052	\$140,052	\$140,052	\$140,052
Vigo	1 January 2006	<u>\$70,026</u>	<u>\$140,052</u>	<u>\$140,052</u>	<u>\$140,052</u>	<u>\$140,052</u>
Added Expenditures		<u>\$345,130</u>	<u>\$760,286</u>	<u>\$830,312</u>	<u>\$830,312</u>	<u>\$830,312</u>

The estimated costs for a 12-month period are listed in the following table. (The expenditures for FY 2006 listed in the STATE IMPACT table, above, reflect approximately 6 months of expenditures because the starting date of these new courts begin in the middle of either FY 2006 or FY 2007.)

<u>Cost Component</u>	<u>Source of Computation</u>	<u>Amount</u>
Salary	Specified in statute	\$90,000
Life Insurance	0.36% of Salary	\$324
Health, Dental, and Vision	Blended rate (estimated by the State Budget Agency)	\$8,291
Social Security	7.65% of salary	\$6,885
Disability Insurance	2.28% of salary (estimated by State Budget Agency)	\$2,052
Judges Retirement Fund	35% of Salary	\$31,500
Judicial Center	Includes materials and postage, but not possible staffing	<u>\$1,000</u>
<b>Total Cost for New Court:</b>		<b><u>\$140,052</u></b>

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) These counties may need to hire additional support staff and find space for the new courts. By eliminating the small claims referee position, DeKalb County will save \$10,000 per year.

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Judicial Center, Division of State Court Administration.

**Local Agencies Affected:** Howard, Dearborn, DeKalb, Hamilton, Perry, and Vigo Counties.

**Information Sources:** State Budget Agency.

**Fiscal Analyst:** Mark Goodpaster, 317-232-9852.